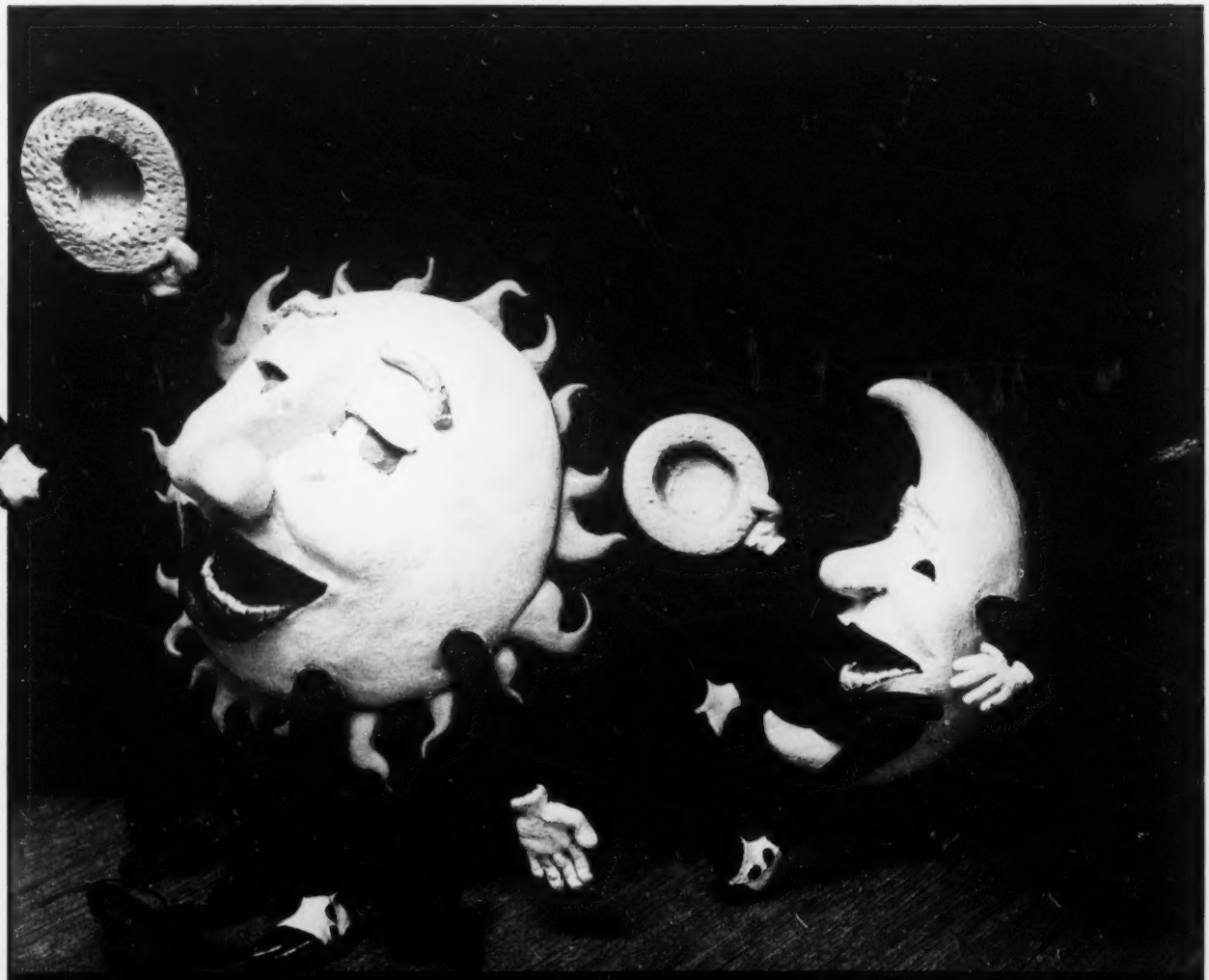
C4725-2 A

Lawn&Garden Marketing

JANUARY 1987

Reports on: Tecumseh, B&S exec changes
Landscaping values • Garden center retailers



Stepping up daylight-saving time

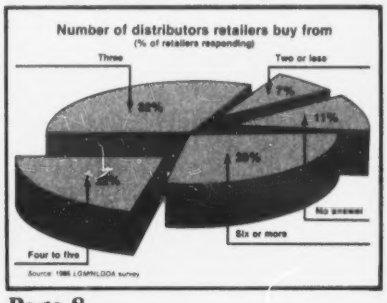
Contents

Lawn&Garden Marketing

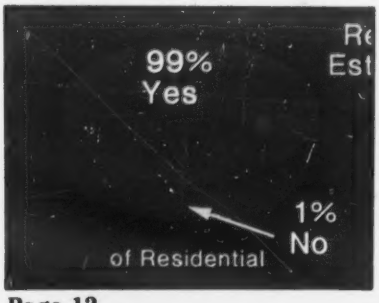
The merchandising magazine for lawn, garden and leisure living products.

JANUARY 1987 VOL. 26, No. 1 PUBLISHED 10 TIMES ANNUALLY

Page 4



Page 8



Page 12

FEATURES

Stepping up daylight-saving time

Industry supporters say the new law moving up daylight-saving time three weeks will give homeowners early encouragement for planning gardens, doing yardwork and barbecuing along with other outside leisure activities and provide retailers the opportunity for increased sales; those opposed say that's just a song and dance. . . . . **page 4**

Retailers rank supplier services

Garden center retailers responding to an NLGDA/*LGM* 1986 survey said that of all the services that manufacturers provide, product knowledge and training are most important; coupons and video displays are least important. Results on how they rank distributors also are provided. . . . . **page 8**

New strategy in setting landscape values

Both American homeowners and real estate appraisers view landscaping as increasing the worth of homes and property. Yet homeowners place a 15 percent value in relation to the selling price while appraisers give it only a 7 percent value. What does this mean and what should the industry be doing about it? . . . . . **page 12**

DEPARTMENTS

Editor's Notebook

Celebrating 25 years...and looking ahead. . . . . **page 2**

Questionnaire

Marketing for Women. Have you made any changes in your merchandising strategies to attract and retain female customers? . . . . . **page 9**

Calendar

February events in 1987 include a meeting of the Outdoor Power Equipment Aftermarket Assn. in Florida; Penn Allied Nursery Conference in Pennsylvania; and the Outdoor Power Equipment Distributors Assn. meeting in Michigan. . . . **page 16**

In the News

O.M. Scott and Burpee under new ownership; Willard Scott is new Nursery Marketing Council spokesperson; and Duraco begins manufacturing macrame plant hangers from South Carolina facility. . . **page 18**

Green Scene

The rose is named the national flower; National Gardening Assn. honors Ames Lawn & Garden Tools and W. Atlee Burpee. . . . . **page 23**

Cover claymation and set design by Ben Riggin; photography by Kevin Anderson.

Product Listings

This month kicks off our offerings of Exclusive Listings, shown to readers for the first time only in *LGM*. This month's Exclusive Listings are offered by Greenview and Parker Sweeper. . . . . **page 24**

Power Equipment Report

Toro will acquire Wheel Horse; major executive staff changes at Tecumseh and Briggs & Stratton include top management positions. . . . . **page 28**

Marketing in Action

Pioneer/Partner has new dealer display; Kohler presents new gondola header; and Weber-Stephen offers toll-free retail outlet number. . . . . **page 36**

FEBRUARY

- **Brand names vs. private-labels**
- **Fall product movement**
- **'86 Consumer spending**
- **Tax changes**

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

Copyright 1986 INTERTEC PUBLISHING CORP. All rights reserved.

Retailers rank supplier services

When lawn and garden specialty retailers rank services from manufacturers and distributors, they rank product training at the top of the list; coupons rank at the bottom.

Training by suppliers—both manufacturers and distributors—ranks high with retailers when stacked up against other benefits and services that the suppliers offer.

Fifty-five percent of retailers responding to a survey by *Lawn & Garden Marketing* and the National Lawn and Garden Distributors Assn. said that product knowledge and training from manufacturers was "very valuable." Next in rank of manufacturer's services to the retailers, according to this study, were co-op ads, with 44 percent designating "co-op" as very valuable; national ads and buyer incentives followed, each getting ratings by 36 percent of the retailers as very valuable. The survey demonstrated the long-running disagreement of retailers and manufacturers on the value of coupons.

Only 7 percent of retailers put coupons in the very valuable category, but manufacturers continue to offer them and to defend their value in marketing some products.

When considering the value of services offered to the distributors, 74 percent ranked catalogs as very valuable. Training received a very valuable rating from 51 percent of the retailers.

Only 54 percent of the retailers attend trade shows, and of those who do not attend them, the most-mentioned reason for non-attendance according to 66 percent is that they are not convenient. Twenty-six percent said the trade shows cost too much; 12 percent said they were not useful; and 8 percent gave other reasons for non-attendance.

"Trade shows" refer to trade exhibits such as the National Hardware Show®, the Louisville Expo, Garden Industry of America show and trade exhibits by manufacturers, rather than the distributor shows sponsored by distributors on a more local or regional basis.

The study showed that the retailers like distributor shows; 77 percent said they attend them. A primary incentive for them to attend the show is to see new products, said 46 percent. That incentive out-ranked early discounts and dating as an incentive to attend the shows. Grand prizes, which the distributors often play up, ranked as a "very motivating" incentive by only 5 percent of the respondents.

The study showed that in choosing a distributor, dependability, delivery service and overall service were the three most important factors.

The degree to which the lawn and garden business is fragmented is brought out in the study also, which shows that 28 percent of the retailers buy their hardlines and package goods from six or more distributors. However, almost one-

continued...

How retailers rate the value of manufacturers' services*

Service	%
Product knowledge/ training	55
Co-op ads	44
Buyer incentives	36
National ads	36
Literature	28
Displays	24
Clerk incentives	22
In-store demos	16
Coupons	7
Video displays	6

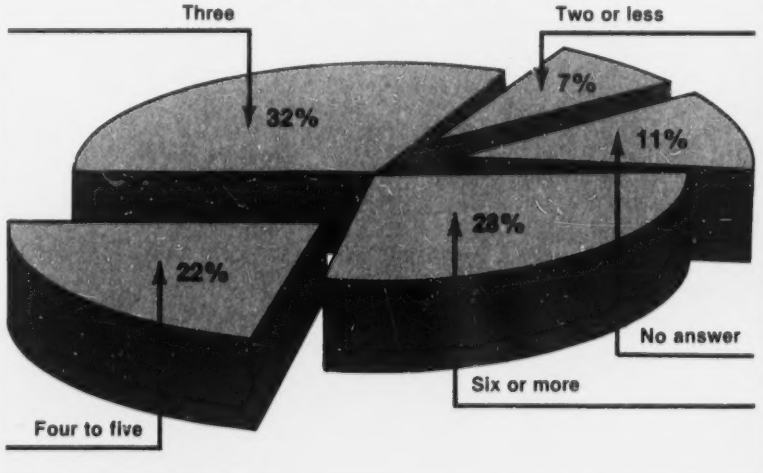
*Based on percentages of retailers who rated services as "very valuable."
Source: *LGM*/NLGDA 1986 survey

How retailers rate the value of distributor's services*

Service	%
Catalogs	74
Training	51
Service merchandising	31
Programmed planograms	30
Computer entry	26
Shelf labels	21

*Based on percentages of retailers who rated services as "very valuable."
Source: *LGM*/NLGDA 1986 survey

Number of distributors retailers buy from
(% of retailers responding)



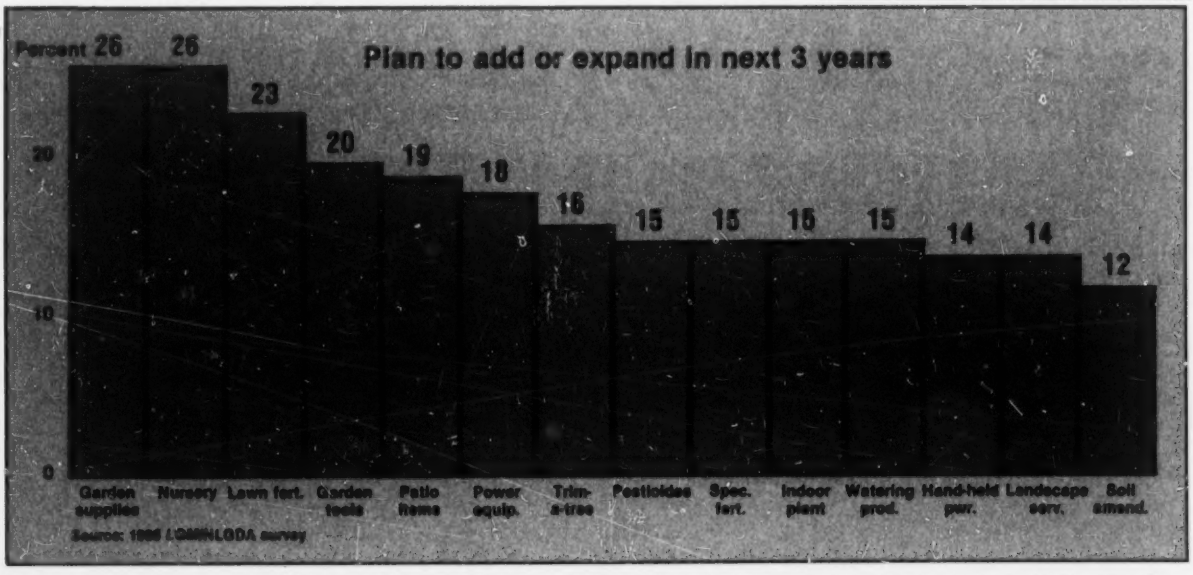
Retailers ...continued

third used only three distributors as sources for these product lines.

Also, the study showed that 67 percent of the retailers bought their lawn fertilizer direct from the formulator, or packager, with no distributor handling the product for them. And 43 percent bought nursery (green goods) direct, with no distributor handling the product.

—LGM

This study was conducted as a joint effort of *Lawn & Garden Marketing* and the National Lawn and Garden Distributors Assn. Additional information derived from this survey was given in the *LGM* November/December 1986 issue. Complete copies of the study are available for purchase from William Robinson, NLGDA, 1900 Arch St., Philadelphia, PA 19103; (215)564-3484.



Due to a printing error, the headline on the above table was omitted in our November/December issue (Garden centers profiled , page 16) and, therefore, is reprinted here.

Premium Quality

swan® consumer rebates
WITH NO EXPIRATION DATE!

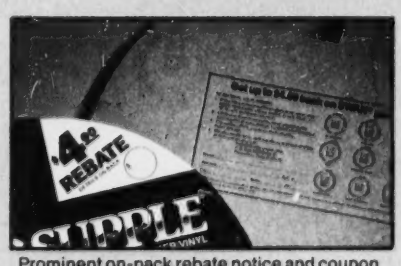
$2.50 (50 ft.) Consumer Rebates $4.00 (75 ft.)

$3.00 Consumer Rebate

$2.50 Consumer Rebate

The most complete garden hose rebate program ever!

SWAN now offers you the choice for lower ad prices, lower break-even, or higher gross margins. On **six** fast-moving SKU's from our Premium Quality garden hose series. Rebate notices and coupons are printed right on the package, and have no rebate expiration date! Since consumers send the coupons directly to SWAN, all you do is simply stock plenty of SWAN hose. It's your chance to gain greater profits and greater consumer satisfaction with the finest garden hose rebate program anywhere.



Prominent on-pack rebate notice and coupon on reverse side for consumer convenience.

swan ANCHOR SWAN
DIVISION OF HARVARD INDUSTRIES, INC.
8929 COLUMBUS PIKE, P.O. BOX 509,
WORTHINGTON, OHIO 43085 (614) 548-6511

A Noticeable Difference™

TOLL FREE 1 800 848-8707
TWX 810 339-2170 In Ohio call 1 614 548-6511

Circle (6) on Reply Card

New strategy in setting landscape values

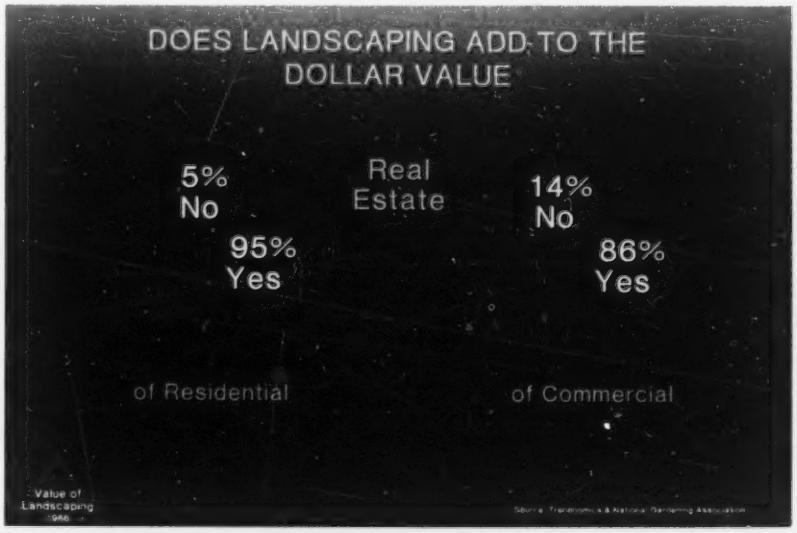
Homeowners believe landscaping adds nearly 15 percent to the selling price of their homes; real estate appraisers say only 7 percent. What does the difference in their perceptions mean to you?

By Bruce Butterfield and Charles W. Dunn

The average American homeowner believes that landscaping increases the worth or selling price of this home by nearly 15 percent. What's more, a majority of 62 percent of all U.S. homeowners believe that landscaping is as good as or a better investment than spending money on other types of home improvements such as remodeling a kitchen or a bath.

These important perceptions, coupled with a market of strong demographics and a revitalized housing industry in many parts of the country, point to opportunity in the lawn and garden industry.

To find out exactly what value America's homeowners associated with their landscaping, the Weyerhaeuser Co.'s Nursery Products Division funded research during 1986 to determine how both U.S. homeowners and real estate professionals view the value of landscaping. This research included inquiry into both the qualitative and quantitative aspects of the value of residential landscaping, an investigation of who the key landscaping customers are today and how real estate appraisers and professionals view landscaping in terms of enhancing sales appeal and the bottom line in marketing real estate. (Results on how homeowners view its value were published as "Landscaping: Adding value to America's homes" in the November/December issue of *Lawn & Garden Marketing*.)



But what about the real estate appraisers—that group of professionals who establish market value, influence selling and purchasing prices and dictate loan amounts? What are their perceptions of the value of landscaping and what are the opportunities for the industry with real estate appraisers?

As part of the research conducted for Weyerhaeuser, the following is the viewpoint of America's real estate appraisers on the value of landscaping:

- Landscaping enhances the sales appeal and adds to the dollar value of real estate;
- Important factors in appraising the value of landscaping for real estate are appearance, condition and maintenance, comparison to the neighborhood and functional use of landscaping; and
- Real estate appraisers need guidelines to evaluate better the dollar value of landscaping.

Today's prospective home buyers are interested in far more than just the home itself. The decision to select one property over another includes weighing such factors as the land itself, the location, the neighborhood, the orientation of the lot, the total price, the overall appearance and the lifestyle that particular home makes possible.

According to Robert Mercer, resident landscape architect for the American

Society of Landscape Architects, "Home buyers are looking for a total living package and that includes landscape features. The attractiveness of the landscaping can be a deciding factor between two like properties. Landscaping and the maintenance of the landscaping contribute to overall salability."

Curb appeal

H. Grady Stebbins, former president of the Society of Real Estate Appraisers and author of *The Guide on Appraising Residential Property*, describes the effect of landscaping on curb appeal: "I don't know if you could measure just how powerful an attractive, value-oriented landscape might be in the selling process, but there is no question that it is a major part of the total appearance of the house. It's sometimes called 'curbside sales pitch.' When the prospective buyer drives up to a house, the first thing he sees is the house and the landscaping. He sees them as one because it is impossible to separate them. And if we believe in the power of first impression, then we must give credence to the belief that landscaping is a major sales element."

Yet, just as good landscaping enhances real estate sales, bad or neglected landscaping can slow sales. Richard McGuire of the Employee Relocation Council in Washington, D.C., says that landscaping can be a problem for his members when they assume the sale of a relocated employee's home. It is something that has to be maintained. "People have little or no imagination when they are buying. They see every defect, and if the landscaping is not maintained, it has reverse curb appeal."

In order to obtain an accurate perspective and reliable information about the attitudes and practices of professional real estate appraisers regarding land-

continued...

The most complete garden hose rebate program continues!

With rebates on 10 SKU's from our All-Weather Quality series, SWAN offers an even better choice of retail value than you've ever seen in garden hose. Lower ad prices, lower breakeven, and higher gross margins are only the beginning advantages of this extraordinary rebate program. Greater product choice, rebate ad slicks, increased store traffic, no rebate expiration date,

Prominent on-pack rebate notice and coupon on reverse side for consumer convenience.

and minimal retailer involvement (all you do is stock SWAN hose)—all this and more can be yours to make the biggest garden hose rebate program sell for you!

SWAN ANCHOR SWAN
DIVISION OF HARVARD INDUSTRIES, INC.
8929 COLUMBUS PIKE, P.O. BOX 928
WORTHINGTON, OHIO 43085 (614) 548-6511

A Noticeable Difference™

TOLL FREE 1 800 848-8707
TWX 810 339-2170 In Ohio call 1 614 548-6511

Circle (7) on Reply Card

Landscaping
...continued

scaping, the National Gardening Assn. and Trendnomics Research worked with the Society of Real Estate Appraisers based in Chicago, Ill., to conduct a survey of their members throughout the country in the spring of 1986. A mailed survey that included questions about the relationship of landscaping to the value of residential and commercial real estate was sent to a representative sampling of 1,234 professional real estate appraiser society members.

Results of the survey provided a wealth of information and insight into how real estate appraisers view and treat landscaping in their appraisal work. Respondents to the survey represented a good cross-section of the society's membership. A slightly higher representation was obtained for the Sunbelt and West Coast, areas where real estate sales activities are highest.

When asked, In general does landscaping enhance the sales appeal of residential real estate?, 99 percent of respondents agreed that it does. For commercial real estate, 92 percent of appraisers responding to the survey agreed that landscaping enhances the sales appeal for commercial real estate.

In addition to enhancing the sales appeal of residential and commercial real estate, landscaping adds to the dollar value of property. More than nine out of 10 professional real estate appraisers responding to the survey (95 percent) agreed that, in general, landscaping adds to the dollar value of residential real estate. For commercial real estate, 86 percent of appraisers responding to the survey agreed that landscaping adds to the dollar value of commercial real estate.

Important aspects in appraising landscaping

The aesthetic or pleasing appearance of the landscape, the condition of the landscape, how well it has been maintained, how the landscaping compares with others in the neighborhood and how the landscape functions to provide privacy, protection from noise, wind or pollution all ranked the highest among factors that real estate appraisers consider important in deciding whether or not landscaping adds value to real estate.

It is interesting to note that factors of a qualitative nature, of personal preference or interpretation were ranked of greater importance in appraising the value of landscaping than were quantitative factors—those where dollar amounts or costs could be obtained. Unlike most other methods of real estate appraisal where hard facts on replacement costs, raw land values and cost per square foot are used to determine value, the value of landscaping in the eyes of most real estate appraisers is not very specific.

A review of several standardized forms used in the appraisal industry indicates that in most cases landscaping is not listed as a separate category. An appraiser apparently has to make special considerations and notes if value is to be placed on landscaping.

To determine whether or not these forms represent the exception or the rule, appraisers were asked whether they include specific dollar value for landscaping as a part of their residential and commercial appraisals or whether landscaping is a part of a more general category. Appraisers reported that landscaping typically is not given a specific dollar value in the majority of appraisal studies but is generally included as a part of a more general category.

Although 95 percent of appraisers say that landscaping adds to the dollar value of residential real estate and 99 percent say that landscaping enhances the sales appeal of residential real estate, only 34 percent of appraisers include a specific dollar value for landscaping when appraising a residential property.

For commercial real estate, 92 percent of appraisers say that landscaping enhances the sales appeal of a property and 86 percent say that it adds to the dollar value of the property, but only 29 percent of appraisers include a specific dollar value for landscaping when appraising commercial property.

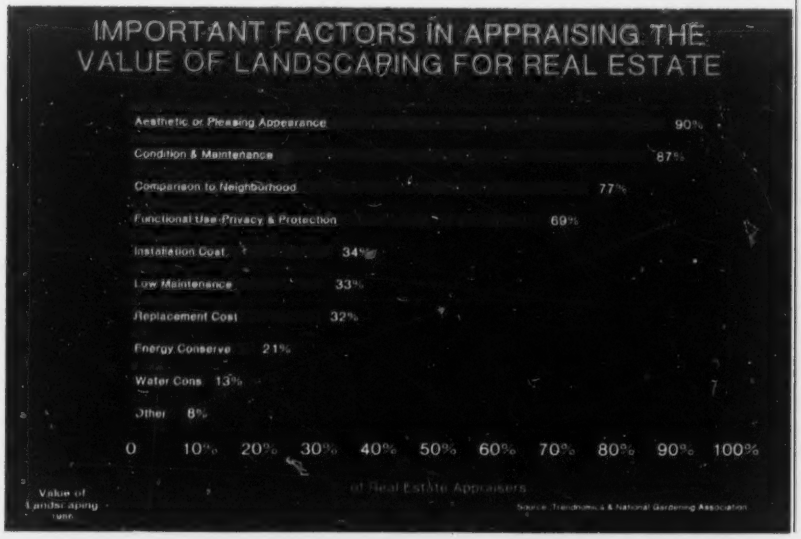
In response to the question, How much would you estimate that a well-designed and maintained landscape adds to the selling price of residential and commercial properties?, real estate appraisers estimated that landscaping adds about 7 percent to the selling price of residential properties and 6 percent to the selling price of commercial properties. As the following chart illustrates, there is a very significant difference in the perception of homeowners of the value of landscaping and the perception of real estate appraisers.

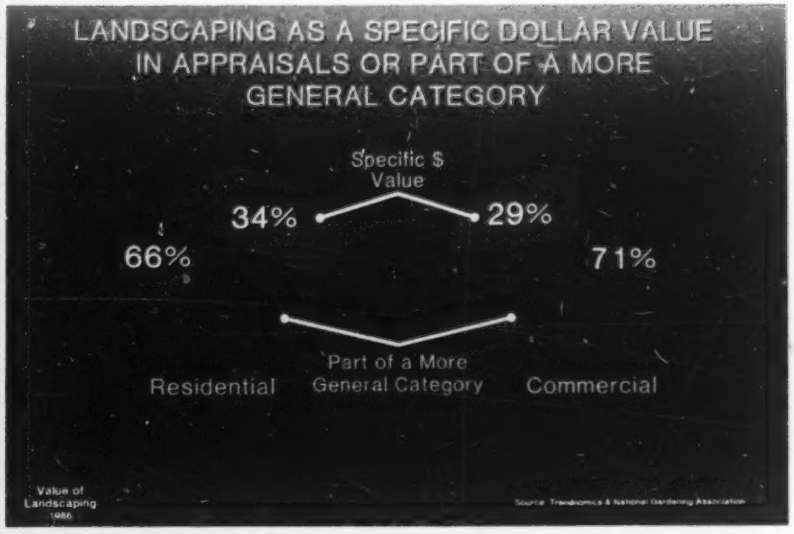
Appraisers need help in evaluating landscaping

While appraisers continually assemble market information relating to costs of various components of a property through national publications and books that describe various types of landscaping and the cost concerned, Michael Cannon of Appraisal and Real Estate Economic Associates Inc. in Miami, Fla., sees a need for more concrete direction and information. "I think the appraiser needs more education on landscaping." Cannon's perspective is shared by many others in the real estate appraisal profession. In fact, when the survey asked appraisers if they believed they had been provided with adequate guidelines for evaluating and appraising the dollar value of landscaping for both residential and commercial properties, a clear majority of appraisers responded they had not.

Opportunities for the industry

A tremendous opportunity exists for the lawn and garden industry in this country. It is one that will result in increased usage of industry products. It is one that can be accomplished through working with other professionals to


IMPORTANT FACTORS IN APPRAISING THE VALUE OF LANDSCAPING FOR REAL ESTATE
Aesthetic or Pleasing Appearance 90%
Condition & Maintenance 87%
Comparison to Neighborhood 77%
Functional Use-Privacy & Protection 69%
Installation Cost 34%
Low Maintenance 33%
Replacement Cost 32%
Energy Conserve 21%
Water Cons 13%
Other 8%
0 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
of Real Estate Appraisers



enhance and to establish the real value of landscaping.

It is not enough that the nursery and lawn and garden industry feels that its products have value and that consumers feel that they have value. The challenge is to have those who are determining that value, particularly the real estate appraisers, mortgage lenders and other segments of the real estate profession, develop similar perceptions of the value of landscaping as do the owners and buyers of the properties that they are appraising, financing and marketing.

To take advantage of this opportunity this industry must accept the challenge. It is a challenge of understanding, education and promotion.

As we understand more about our customers and their beliefs in the value of landscaping, we must provide them with products and services necessary to meet their interests and lifestyles.

We must approach education with a commitment and a dedication—working in a spirit of cooperation with other related industries, industry groups and associated professions, such as real estate appraisers, to provide them with the facts about the value of landscaping.

And finally, we must promote. Competition abounds. Today's consumers are making buying decisions on the use of our products and all others on the basis of value. It is up to those of us in the nursery, landscaping and related industries to promote first the value of landscaping. —LGM

Bruce Butterfield is research director for the National Gardening Assn., Burlington, Vt. Charles W. Dunn is a marketing and communications consultant in Tampa, Fla., and specializes in the nursery, lawn and garden industry. Both collaborated extensively on *The Value of Landscaping* for Weyerhaeuser.

SWAN® consumer rebates
WITH NO EXPIRATION DATE!

NOTE: FLEXLITE rebates offered through "take-one" pad coupons.

$1.50 Consumer Rebate
$1.00 Consumer Rebate
$2.00 Consumer Rebate

Five more SKU's of rebate value!
When SWAN offers a rebate program, we cover it all! From our Reinforced Quality series, All-Weather series, Premium Quality series, and even FlexLite® garden hose, we're providing 21 rebate SKU's with no expiration date on the offer. Not just one or two slow-moving items, but the largest variety of the most popular hoses and lengths anywhere! Giving your customers a maximum choice in garden hose value. And giving you the profits you'd expect for selling the finest garden hose in America.

Prominent on-pack rebate notice and coupon on reverse side for consumer convenience.

SWAN ANCHOR SWAN
DIVISION OF HARWARD INDUSTRIES, INC.
8929 COLUMBUS PIKE, P.O. BOX 368
WORTHINGTON, OHIO 43085, (614) 548-6511
A Noticeable Difference™
TOLL FREE 1 800 848-8707
TWX 810 339-2170 In Ohio call 1 614 548-6511

Circle (8) on Reply Card